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MEMORANDUM FOR THE RECORD

SUBJECT: SSCI Briefing on Prospective Soviet Economic Trends,  
24 November 1987

25X1 1. The SSCI was briefed on 24 November 1987 by a panel chaired by Director, SOVA, on trends in the Soviet economy. The session was requested by Senator Bradley who directs the Soviet Task Force for the Committee. The briefing was held at the SSCI, 219 Hart Building, from 1600 to 1800 hours. In addition to Doug MacEachin, Agency officers participating in the session were [redacted] of SOVA. Ed Hewitt of Brookings and Jan Vanous of PlanEcon offered their analyses of trends. Senator Bradley was the only Member participating, and staff included John Despres, Bob Morgan, Jeanne McNaughton, and Gina Genton. George Tenet, John Nelson, and Blythe Thomas attended for short periods. Gina Despres of the Senator's personal staff joined the group for the entire briefing. Fred Ward prepared a transcript.

2. As described by the SSCI staff, the Senator wanted to hear from the panel on the issue of "alternative views of future Soviet interests and long lead-time preparations for more active involvement in international capitalist markets."

25X1 3. For the Agency, [redacted] led off the review with a description of scenarios for expansion of Soviet economic ties to the West and explained several areas of concern for the policy-maker and intelligence. These involved Soviet acquisition of Western technology, dual-use technology and the degree to which the West finances Soviet development. [redacted] 25X1 offered solutions which the U.S. would have to consider.

25X1 4. Gorbachev's strategy was examined by Ed Hewitt of Brookings, the modernization effort, the trade-off's for the Soviet leader and evidence of his pragmatism. In this segment, the Senator was particularly interested in exploring how the Soviets approach joint ventures and/or barter arrangements.

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5. Jan Vanous addressed economic conditions in Eastern Europe, particularly major financial crises expected in Romania, Hungary, Yugoslavia and Poland. He suggested that the U.S. should take advantage of the situation to pressure these countries into significant changes in their economic systems.

25X1 [redacted] commented as well on the problems of Eastern Europe and was less optimistic that Western advice on solutions would bring about a better situation.



Senate Division  
Office of Congressional Affairs

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25X1 OCA/Senate [redacted] ks (8 Dec 87)

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